454 (d) Monetary and other assets

Table 4:12 shows that the monetary assets of the village in November 1964 amounted to $166.70, or $10.40 per adult resident. In contrast with Sivepe, most (67 per cent) was invested in savings bank accounts and almost all the rest was held in cash. Only two men owned shares although householder 23 intended to buy some if those of either Oro Ltd or OCGS proved their value.

Table 4:12

Inonda: monetary assets of households, November 1964
($)

Household no.	Cash	Savings bank	Shares OCGS	Shares Oro Ltd	Total
16	12.95	16.18	10.00	-	39.13
17	3.90	-	-	-	3.90
18	0.80	-	-	-	0.80
19	-	-	-	-	-
20	1.50	36.00	-	10.00	47.50
21	3.00	20.00	-	-	23.00
23	1.07	20.00	-	-	21.07
24	11.80	19.50	-	-	31.30
Total	35.02	111.68	10.00	10.00	166.70

438 [444] In October 1963, the head of household 23 established a trade store, deriving most of his supplies on credit from Oro Ltd's wholesale store in Popondetta. His stock included tinned foodstuffs, rice, biscuits, sugar, salt, tea, soft drinks, chewing gum, cigarettes, trade tobacco, laundry soap, matches, kerosene, torch batteries, clothing, razor blades and playing cards. In addition, he obtained some goods from Chinese-owned stores where the wholesale prices, particularly for rice, were considerably lower. Store customers included people from Inonda and neighbouring villages and passers-by on the main road. Business was best between February and April 1964 when construction gangs were improving this road. By July, most of the villagers had moved to the new site and a new, better-stocked store was opened about two and a half miles away, and sales of the Inonda store began to decline. When the store-owner moved to the new site, he did not begin rebuilding the store until late in December and kept only a few goods (biscuits, tobacco and kerosene) in his house.

511 177 (e) Other household property

Table 4:13 shows the inventories of household property acquired directly or indirectly from the cash sector of the economy, including

[TEXT CONTINUED ON PAGE 63]

8: Waddell & Krinks E-4,5 (1964-1965) 1968 OJ23 Orokaiva OJ23

Table 11:13

Inonda: cash income and expenditure over 47 weeks, by household ($)

Household	Income	Expenditure	Net change to cash balances
16	78.62	73.84	4.78
17	26.38	24.20	2.18
18	4.30	4.90	-0.60
19	1.70	2.50	-0.80
20	66.94	64.12	2.82
21	48.60	41.56	7.04
22*	10.60	14.64	-4.04
23	235.42	230.38	5.04
24	76.90	20.36	56.54
Total	549.46	476.50	72.96
Mean per household	61.06	52.94	8.12

* Figures for February 1964 to May 1964 only.

is also highest. Income and expenditure by household 23 related to the trade store are not included in these figures. During the period, income from the store amounted to $185.20 and expenditure on supplies, at wholesale prices, to $177.58; most of this expenditure was for goods purchased on credit in the first few months of operation.

The trade store began operating on 25 October 1963. Up to 3 January 1965, total payments for supplies were $264.50 and total income from sales was $368.78, giving a gross profit of $104.28.[1] Deduction of $6 for a trading licence yields a profit of $98.28, at a rate of $7.02 per month. This rate is little more than half that earned through casual labour, but the returns per hour are very much higher (see Table 13.2), since operation of the store did not consume a very large proportion of the working day (except for journeys to Popondetta to collect supplies). Over the survey period, the average time spent daily on the store was little over one hour. The owner thus had considerable time available for other tasks, which is not true of those engaged in wage labour. Judging by the comments of the managing director of Oro Limited,[2] he is quite successful by the standards of Orokaiva-owned stores. For a period, early in 1964,

[1] Stocks remaining at 3 January 1965 were small and, in the researcher's opinion, almost worthless. They have, therefore, been written off for the purposes of this account.

[2] Personal communication.

444 it was not only the closest store for some 100 people, but it was also regularly patronised by passers-by and labourers on the main road.[1] For this reason, during the first 13 weeks of the survey sales averaged $10.70 a week, but over the whole period, from February 1964 to January 1965, the average was only $4.20.

472 434 The head of household 23 engaged in a number of other profitable entrepreneurial activities during the survey and the income from these is included in Table 11:13. He received $42 for organising the construction of the researchers' house; this sum was immediately used in the purchase of a shotgun. During period III, the same man organised a labour gang of fellow villagers to construct a shelter at the airstrip on contract from the Administration. For this, he received $72, of which he paid $36 to the other six men. At other times during the year, he received $20 for hardwood trees sold to the Administration, $4 for interpreting at polling booths during the House of Assembly elections and $10 from the Electricity Commission for locating steel pipes and oxy-acetylene cylinders abandoned in the grasslands after the war. (Two other men found and carried the pipes to the road at the entrepreneur's suggestion. They received $3 each and he received $8!) In addition to these sources not open to people with less experience and self-confidence, the same man acquired significant sums from sales of meat, coffee and copra and from gambling. Two fellow villagers gave $2 each and another gave coffee worth $3.32 as contributions towards the purchase of his shotgun. The wife's contribution to the household income was comparatively small at $6.90, of which $4 comprised remittances from kinsmen in Port Moresby.

511 About 62 per cent of this household's expenditure was in retail purchases from trade stores - one-third of this figure being represented by the shotgun and the rest mostly by food and clothing. The bulk of the other expenditure was in payments to the villagers who formed the labour gang. Eight dollars was spent on gun and trading licences and $2 on a fine for taking sago leaves without the owner's permission. Only about $12 (5 per cent) was disposed of in gifts to relatives. Overall, income exceeded expenditure by only $5.04, more than $3 below the village mean.

434 Household 24 has the greatest excess of income over expenditure with $56.54. Its gross income was $76.90, of which $32 were remittances from kin working outside the district, $10 was a teacher's pension from the Anglican mission and $10 was a belated payment from the Administration as a share of rice sales by Hohorita village
511 co-operative society in 1949 and 1950. Seventy per cent of the household's expenditure was in trade stores and almost 10 per cent was in casual purchases from hawkers. The surplus cash was not

[1] See p.61.

C visits every few days and counts cash, takes stock and places orders for supplies. D. manages his own store.

Illiterate store owners are entirely at the mercy of their managers and it is for this reason that A and B have preferred to entrust the work to their sons, though this policy has not always been successful. As a result of management problems in A's store, management was transferred, with apparent success, to another son, but as B has only one son he feels he has no alternative but to persevere with him. C, being literate, can provide a sufficient check on his illiterate manager at least partly because the latter assumes that literacy gives the owner greater knowledge than it does. C formerly had a literate manager who falsified the records, but says the illiterate man has proved completely reliable since he began five years ago.

All the stores have been closed from time to time owing to inadequacy of money to buy stocks. This has been due to the too liberal granting of credit,[1] personal use of store stock by the owner or manager, and the use of gross store income for other purposes.

All the entrepreneurs feel that trade stores provide more money for less effort than cash-cropping. For all except C this has not been the case in practice. In fact, it is likely that A and B have made little or no net profit on their total trading operations since their inception. They are aware of this, but feel that it has been due to difficulties which they now understand and which are therefore less likely to occur in future. For three of the four this is probably true, but all except C appear to expect higher future income from trading than is likely to eventuate. The stores are very small, turnover for the year 1965 averaging $956.[2] They buy their goods at a discount (inappropriately called 'wholesale') from European and Chinese retailers in Popondetta. Their turnover is too small and their knowledge of commerce too limited to enable them to buy wholesale from outside the district. Mark-up on goods has varied from nothing to 30 per cent and for a long time one of them was retailing at the nearest 10 cents above

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[1] Although they say they have a policy of not giving credit, all four have lost money from giving credit in the past. Three of the four find social pressures such that they continue to grant limited credit to close friends and close kin. In December 1965, A had about $60 unpaid credit outstanding, some of it of several months' duration; and two others had smaller amounts outstanding.

[2] Store turnover for the year for the four entrepreneurs was estimated from available records at $912, $500, $1,992 and $420 respectively.

the price at which he bought (e.g. a knife bought at 87 cents would be sold at 90 cents).[1]

Irrespective of profits, stores are both a convenience and a source of considerable prestige to the owner.

No records of customers were kept, but from casual observation it appears that customers are either persons who are unrelated and not resident in the same locality or close kin and close friends. The more distant relatives and the residents in the owner's village often go to considerable trouble not to buy from the local entrepreneurs. They justify their avoidance with stories which depict the trader in a personally unfavourable light, though some point to the lower prices and wider range of goods in Popondetta, and others to the advantage of buying from local co-operatives which provide rebates and benefit everyone, rather than from private stores with higher prices and individual profit.

These arguments should apply equally to the customers of the entrepreneurs, but they do not seem to in practice. I assume that this is due to the fact that the entrepreneurs do provide credit, assistance with life crises and other advantages (including the attraction of close association with men of prestige) to very close friends and kin, but decline to provide these privileges to more distant kin and neighbours. These people feel entitled to special consideration and are affronted by refusal. C, the trader with the largest turnover, built his store in a village other than his own[2] and most customers come from that and three neighbouring villages. Most people of his own village of Hansu buy from a co-operative store further away. A's main clients are plantation workers, as most of his fellow villagers use the co-operative even though it involves a long walk. D's store was located on a main road until a re-routing of the road left him without his main source of clients - people walking along the road.

Since 1964, D has been buying cotton piece goods which his wife makes up on her sewing machine into skirts, dresses and shorts for sale in the store. Demand for these goods is greater than the supply and a girl is now hired part-time to assist with sewing.

A, B and D sell small quantities of garden produce or hunted meat at irregular intervals at the Popondetta market.

A undertakes commercial processing for other persons, having established a cocoa fermentary with the help of agricultural officers in 1962. The building cost $500 from his savings and an

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[1] Having limited experience in handling money most of the entrepreneurs round prices to the nearest ten cents as far as possible.

[2] The other three all have their stores adjacent to their homes.

Twelve Orokaiva traders

W.J. Oostermeyer
and
Joanne Gray

Introduction

443 This is a study of twelve Orokaiva entrepreneurs who have
121 engaged in retail trading with varying degrees of success.[1] With only two exceptions, each owns a cash crop also. All except one are accessible by road from Popondetta. Although the sample is reasonably representative of Orokaiva entrepreneurs, quite different patterns may emerge among the few more isolated Orokaiva entrepreneurs or among the non-Orokaiva entrepreneurs in other parts of the district.

121 Each subject will be signified by an alphabetic letter according
128 to the relative success of his store. The names of subjects can be made available for the purposes of further research.

Information on two subject, I and K, is incomplete and possibly inaccurate in some details. Both were away from home at the time, and the questions were answered by close relatives.

124 Language was a limiting factor. English was used with those who had an adequate command of it, but in a number of cases it was necessary to use an interpreter. Some meaning is always lost when communicating through an intermediary, and some entrepreneurs were reluctant to discuss some personal details with an interpreter. The evidence of this report is not substantial enough to permit definite conclusions, and those proffered must be regarded as tentative.

444 Group I comprises four traders who were not operating their
463 stores at the time of the survey. Group II comprises another four
472 whose stores had an average monthly turnover of less than $50.00. Group III comprises those with a turnover in excess of $50 a month.

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[101] [1] The data in this paper were collected by W. Oostermeyer between December 1965 and February 1966. The material was written up by Mrs Joanne Gray.

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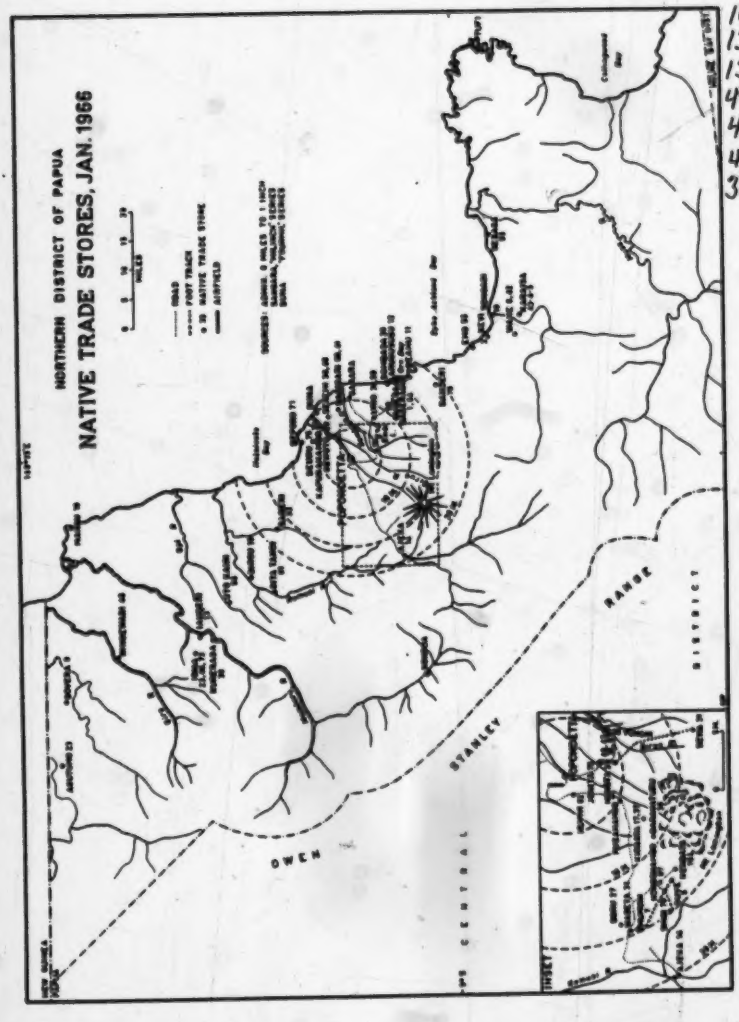

444 Each trader in group I still holds a current trading licence and intends to re-open his store at some future date. A closed his store after only two months of operation, because his duties as a local government councillor were too time-consuming. He intended to resign before the next election in June 1966 and re-open his store.

444 B started his store in 1961 with the relatively large capital
472 of $478, of which $300 was his own money, and the remainder his younger brother's. The store was built some distance from his
452 house, but when $240 was stolen from the store in 1962, the two brothers built a new store adjacent to B's house. It was closed in June 1964. Credit had been given too freely and $157.48 was still outstanding late in 1965, and a European stated that B had
[474] been selling goods well below cost price. Competition from a
[477] local co-operative store which B helped to establish (and with which he is still closely associated) reduced his turnover. B bought his stocks on credit from Oro Ltd, and built up a large debt until further credit was refused. B still owes $220 to Oro Ltd, and due to insufficient understanding of the system, feels that he has been deceived.

Subjects C and D were awaiting the proceeds of their next cash crop sale with which to restock their stores.

444 The stores owned by group II traders have so far been only moderately successful. With the exception of G, who opened his store only six months ago, they have operated their stores for at least nineteen months. E has only recently re-opened his store, after it had been closed for four months.

[426] Group III. Trader I started his store with $200 which was lent him by his younger brother-in-law, who is a clerk with a commercial firm at Lae. The brother-in-law pays all store bills, and I had repaid him $104.

[451] J's trade store was managed by his elder brother, who could neither read nor write and did not keep any store books.

444 K started his store with $390, helped by his younger brother
474 who works in Port Moresby. K runs the store on a quasi co-operative basis, with forty-two shareholders belonging to his own and another clan. His brother contributed $200 to the initial cost, and the
[499] value of the other shares varied between 50 cents and $10. All are ultimately to be $10. Most of the store's turnover comes from other villages and the people of K's village are at present building a road to attract more people to the store.

444 L began her store with $206; when she is away, it is managed by her father.

463 Trading. Almost all entrepreneurs felt that trading provided,
472 or should have provided, more reward for the effort invested than
444 cash cropping. Even those who had lost by trading wanted to return to it and C, D and E were saving their income from cash crops in order to restock their unsuccessful stores.

Table 14

Months of store's operation

A	2 (closed in Jan. 1964)	E	26	I	3
B	36 (closed in June 1964)	F	19	J	6
C	22 (closed in Sept.1965)	G	6	K	5
D	18 (closed in June 1965)	H	20	L	15
Average	19.5		17.75		7.25

The table above shows that the most successful stores are on average the most recently opened. There is a negative correlation between length of operation and trading success for each store. It may be that there is an optimum period of satisfactory functioning for stores owned by indigenes, after which custom declines. We have no evidence on this point and there are many variables on which the more successful traders differ from the less successful. Other variables, unrelated to the traders themselves, could influence the success of stores. These include the proximity of any other types of stores and the preference of some villagers for patronising co-operative stores rather than individually owned stores (see Crocombe 1967:21). The location of the store in relation to residence of the owner (see page 30), to roads and to other sources of casual custom (e.g. a plantation, a road or other construction project) is also significant. We do not, however, have measured data on these variables.

[412] Tools and equipment. All the entrepreneurs in the sample have many more tools and equipment (current replacement value averages $148.80; range $46.40 to $376.45) than ordinary villagers.[1] There is not, however, any apparent relationship between trading success and value of tools and equipment.

[1] By contrast, average current replacement value of tools and equipment per householder in three villages was $7.58 in Ongoho (Crocombe, unpublished), $18.38 for Sivepe (Rimoldi 1966:25) and $21.06 for Inonda (Crocombe and Hogbin 1963:45).
A [See Category 463--Analyst]

Table 15

Replacement value of tools and equipment

A	$101.70	E	$138.05	I	$164.30
B	87.50	F	82.90	J	142.80
C	254.80	G	113.60	K	46.40
D	54.70	H	376.45	L	222.40
Average	$124.68		$177.75		$143.97

Traditional valuables. The possession of hambo (bone and shell ornaments) and di (feather headdress) may give some indication of a man's adherence to traditional values. In traditional Orokaiva society the possession of such valuables demonstrated wealth and prowess, but this function is now being taken over by money, as the relative importance of cash as the means of procuring desirable products increases, and money transactions become more frequent. Hambo and di are inherited through the father and sometimes other relatives, and they are usually distributed among the surviving sons. It is difficult to assess the traditional valuables owned by any one individual, as a man often looks after his younger brothers' shares and more than one person, both within and without the nuclear family, may have rights to the hambo and di kept in a particular household.

As shown in Table 16, subjects A to D possessed an average of $31.51 worth of traditional valuables, subjects E to H $46.16, and I to L (only one of whom has any such valuables) $7.50. H, the owner of the largest quantity of valuables, acquired them by inheritance and does few transactions with them today.

Table 16

Cash value of traditional valuables*

A	37.33	E	50.00	I	30.00
B	25.00 (assessed)	F	11.15	J	-
C	63.70	G	49.90	K	-
D	-	H	73.60	L	-
Average	31.51		46.16		7.50

* Values were calculated according to rates set out in Crocombe and Hogbin 1963:97-9. If a man held valuables jointly for himself and other kin, only his proportionate share is listed above.

Table 18

Loans received

A	$1,500 (land board)	E -	I $200 (from brother-in-law for store)
B	$178 (from younger brother for store)	F -	J -
C	-	G -	K $390 (from brother and share money for store)
D	$1,500 (land board)	H $1,500 (land board)	L -
	75%	25%	50%

Conclusion

Analysis of the three groups with respect to variables which may be classified roughly as economic and social reveals a degree of differentiation. The data do not enable firm conclusions on whether the different variables of themselves explain the relative success of the sample in trading activities.

The most successful group had fewer economic trees than either of the less successful groups, had considerably higher liquid assets, but fewer traditional valuables. They had more tools and equipment than the traders whose stores were closed, but fewer than the traders who, in this sample, can be classed as moderately successful.

The traders with highest turnover had been in operation for considerably less time than the other two groups, and their stores were more frequently outside the owner's home village. They had received more loans to assist with their stores, and fewer loans from the Land Board than either of the other groups.

With respect to social variables the most successful traders were younger than the other groups. Directly related to their lower age was their higher level of education and their shorter experience of paid work. However, the positions they had held had carried more responsibility and status than those held by the less well educated, younger and less successful entrepreneurs.

They were as often elected to positions of community leadership as the least successful, though the moderately successful most often held such positions, and more often held more than one such position (an achievement never realised by the least successful traders).

Table 19

Traders as at January 1966

	Group I	Group II	Group III
Economic variables			
Store turnover per month	-	under $50	over $50
Store outside village	75%	50%	100%
Average no. of economic trees	702	1,800	168
Traditional valuables	$31.51	$46.16	$7.50
Liquid assets	$37.32	$212.00*	$322.66*
Months of operation of store	19.5	17.75	7.25
Tools and equipment	$124.68	$177.75	$143.97
Loans received: land	50%	25%	-
store	25%	-	50%
Social variables			
Age	35.25	41.75	29
Index of education	26.7	3.75	46.7
Years of paid work	11.25	8.75	4
Non-traditional experience	16.75	10.25	11.75
Job: level 1 responsibility	-	25%	75%
level 2 responsibility	75%	50%	-
Community leadership	50%	75%	50%
More than one leadership position	-	50%	25%
No. of co-operating adult male kin	2.25	2.75	2.5
Size of present household	6.5	5.75	5.25
Eldest son	75%	25%	-
Residence village different from village of birth	50%	75%	75%

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* No information on one subject in group.

The most successful traders had the smallest households, but used the help of co-operating kinsmen more than the least successful (whose present households were the largest) and less than group II (whose households were also large). The moderately successful traders depended most on the help of kinsmen, but not nearly so extensively as cash-cropping entrepreneurs previously studied (see Crocombe 1967). [592] [602]